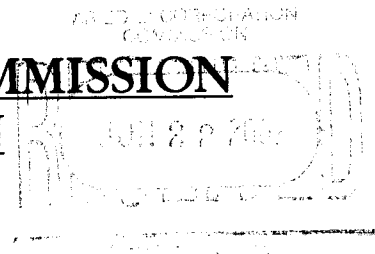


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W

W-02173A
WILLOW LAKES PROPERTY OWNERS ASSOCIATION, INC.
P.O. BOX 875
BENSON AZ 85602-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2001
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FOR COMMISSION USE

ANN04	01
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Processed by:

6-28-02 cm

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Willow Lakes Property Owner's Association

Mailing Address P.O. Box 875
(Street)
Benson Arizona 85602
(City) (State) (Zip)

(520)-586-4241 (520)-678-4419
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address P.O. Box 875
(Street)
Benson Arizona 85602
(City) (State) (Zip)

(520)-586-4241 (520)-678-4419
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Don Hearn, Jr. Vice - President
(Name) (Title)

2122 Glorious Dr. Benson AZ 85602
(Street) (City) (State) (Zip)
(520)-586-4241 (520)-678-4419
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Marshal Waite Remote Operator
(Name)

ST. DAVID AZ 85630
(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Don Hearn, Jr.
(Name)
2122 Glorious Dr. Benson AZ 85602
(Street) (City) (State) (Zip)
(520)-586-4241 (520)-586-4241
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: MARK BATTAGLIA
(Name)
P.O. BOX 2315 Benson AZ 85602
(Street) (City) (State) (Zip)
(520)-586-2292
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Willow Lakes Property Owners Association Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	2,500	2031.60	468.40
302	Franchises	0	0	0
303	Land and Land Rights	2,020	0	2,020
304	Structures and Improvements	2,589	1009.41	1,579.59
307	Wells and Springs	19,125	382.50	18,742.50
311	Pumping Equipment	35,113	702.26	34,410.74
320	Water Treatment Equipment	480	250.79	229.21
330	Distribution Reservoirs and Standpipes	33,100	662.00	32,438
331	Transmission and Distribution Mains	280,706	5614.12	275,091.88
333	Services	200	147.53	52.47
334	Meters and Meter Installations	21,058	421.16	20,636.84
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	3,871	77.42	3,793.58
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	223	84.38	138.62
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	14,500	290.00	14,210.00
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	20,000	4504.65	15,495.35
	TOTALS	435,485	16,177.82	419,307.18

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Willow Lakes Property Owners Association, Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	2,500	2%	50
302	Franchises	0	0	0
303	Land and Land Rights	2,020	2%	40.40
304	Structures and Improvements	2,589	2%	51.78
307	Wells and Springs	19,125	2%	382.50
311	Pumping Equipment	35,113	2%	702.28
320	Water Treatment Equipment	480	2%	9.60
330	Distribution Reservoirs and Standpipes	33,100	2%	662.00
331	Transmission and Distribution Mains	280,706	2%	5614.12
333	Services	200	2%	4.00
334	Meters and Meter Installations	21,058	2%	421.16
335	Hydrants	0	0	0
336	Backflow Prevention Devices	0	0	0
339	Other Plant and Misc. Equipment	0	0	0
340	Office Furniture and Equipment	3,871	2%	77.42
341	Transportation Equipment	0	0	0
343	Tools, Shop and Garage Equipment	223	2%	4.46
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	14,500	2%	290.00
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	0	0	0
348	Other Tangible Plant	20,000	2%	400.00
	TOTALS	435,485		8709.72

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME Willow Lakes Property Owners Association Inc.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 299.70	\$ 611.33
134	Working Funds	0	0
135	Temporary Cash Investments	2,500	2,750
141	Customer Accounts Receivable	1,550	2,000
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	1,000	1,000
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 5349.70	\$ 6361.33
	FIXED ASSETS		
101	Utility Plant in Service	\$ 435,485	\$ 435,485
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation – Utility Plant	16,177.82	16,177.82
121	Non-Utility Property	0	0
122	Accumulated Depreciation – Non Utility	0	0
	TOTAL FIXED ASSETS	\$ 451,662.82	\$ 451,662.82
	TOTAL ASSETS	\$ 457,012.52	\$ 458,024.15

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Willow Lakes Property Owners Association, Inc.**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 0	\$ 0
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	2650	2800
236	Accrued Taxes	0	0
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$ 2650	\$ 2800
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 100,000	\$ 100,000
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	0	0
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 0	\$ 0
	TOTAL LIABILITIES	\$ 102,650	\$ 102,800
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	0	0
215	Retained Earnings	2000	2000
218	Proprietary Capital (Sole Props and Partnerships)	33,360	33,360
	TOTAL CAPITAL	\$ 35,360	\$ 35,360
	TOTAL LIABILITIES AND CAPITAL	\$ 138,010	\$ 138,160

COMPANY NAME Willow Lakes Property Owners Association, Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 14,644.06	\$ 23,089.65
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	0	0
	TOTAL REVENUES	\$ 14,644.06	\$ 23,089.65
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 0	\$ 4,560.00
610	Purchased Water	0	0
615	Purchased Power	2434.23	2935.90
618	Chemicals	180.00	40.00
620	Repairs and Maintenance	3,337.28	1943.60
621	Office Supplies and Expense	694.53	983.27
630	Outside Services	2998.00	1950.00
635	Water Testing	384.00	2,000.00
641	Rents	0	0
650	Transportation Expenses	0	0
657	Insurance - General Liability	673.82	697.71
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense - Rate Case	0	0
675	Miscellaneous Expense	1783.69	1669.89
403	Depreciation Expense	1668.24	8709.72
408	Taxes Other Than Income	1139.44	1664.90
408.11	Property Taxes	1739.68	1399.68
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$ 17,032.91	\$ 28,564.67
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 125.00	\$ 125.00
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	0
	TOTAL OTHER INCOME/EXP	\$ 125.00	\$ 125.00
	NET INCOME/(LOSS)	\$ (2263.85)	\$ (5600.02)

COMPANY NAME Willow Lakes Property Owners Assoc., Inc.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	11/99			
Source of Loan	USDA - Rural Development			
ACC Decision No.				
Reason for Loan	Water System Improvements			
Dollar Amount Issued	\$ 100,000	\$	\$	\$
Amount Outstanding	\$ 100,000	\$	\$	\$
Date of Maturity	11/41			
Interest Rate	4.375%			
Current Year Interest	\$ 1105.37	\$	\$	\$
Current Year Principle	\$ 100,000	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 500.00

Meter Deposits Refunded During the Test Year

\$ 120.00

COMPANY NAME Willow Lakes Property Owners Assoc., Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
02042	10	235		None
02042	15	650	18	

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7	1	0	0
7.5	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
50,000	1	10,000	1

STATISTICAL INFORMATION

Total number of customers 62

Total number of gallons sold 6,400,345 gallons

COMPANY NAME W.L.P.O.A. YEAR ENDING 12/31/2001

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Cheryl Fleming
SIGNATURE

6/27/02
DATE

Cheryl Fleming
PRINTED NAME

Treasurer
TITLE

COMPANY NAME W.L.P.O.A. YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ 699.84

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Cochise</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Cheryl Fleming, Treasurer</u>
COMPANY NAME	<u>Willow Lakes Property Owners Assoc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 23,089

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 1,664
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

27th

DAY OF

Cheryl Fleming
SIGNATURE OF OWNER OR OFFICIAL
520-586-4249
TELEPHONE NUMBER

COUNTY NAME	<u>COCHISE</u>	
MONTH	<u>June</u>	<u>2002</u>

April D. Carroll
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

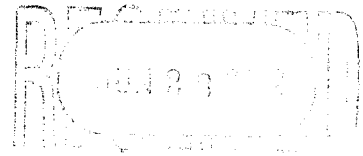
Oct 12, 2004

(SEAL)

OFFICIAL SEAL
CARROLL

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Cochise</u>	
NAME (OWNER OR OFFICIAL) <u>Cheryl Fleming</u>	TITLE <u>Treasurer</u>
COMPANY NAME <u>Willow Lakes Property Owners Association</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 23,089

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1,664

IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

X Cheryl Fleming
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

27th

DAY OF

(SEAL)

MY COMMISSION EXPIRES



Oct 12, 2004

NOTARY PUBLIC NAME

April D. Carroll

COUNTY NAME

Cochise

MONTH

June

2002

X April D. Carroll
SIGNATURE OF NOTARY PUBLIC

AME

RECEIPT OF TAXES PAID

13:16:59

PARCEL NUMBER	YR	POR	TAX PAID	INTEREST	FEES	PENALTIES	TOTAL PAID
208-69-157-00-1	00	3	50.86	4.75			55.61
208-69-156-00-8	00	3	50.86	4.75			55.61

RECEIVED FROM

DATE PAID

8/24/01

WILLOW LAKES PROPERTY OWNER
PO BOX 875
BENSON AZ 85602

TAX PAID 111.22
AMOUNT TENDERED 699.84
CHANGE DUE 588.62

CK 3069

RECEIPT

THANK YOU
MARSHA BONHAM
COCHISE COUNTY TREASURER
BISBEE, ARIZONA 85603

CASHIER
AME

COCHISE COUNTY
RECEIPT OF TAXES PAID

8/24/01
13:17:44

PARCEL NUMBER	YR	POR	TAX PAID	INTEREST	FEES	PENALTIES	TOTAL PAID
930-30-900-00-3	00	2	557.92	30.70			588.62

RECEIVED FROM

DATE PAID

8/24/01

WILLOW LAKES PROP OWNERS AS
PO BOX 875
BENSON AZ 85602

TAX PAID 588.62
AMOUNT TENDERED 588.62
CHANGE DUE .00

BALANCE OF 2ND HALF DUE

\$18.04

CK 3069

RECEIPT

THANK YOU
MARSHA BONHAM
COCHISE COUNTY TREASURER
BISBEE, ARIZONA 85603